



# MEMORANDUM

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DATE: July 7, 2010

TO: Chair Sheffels and Members of the Planning Commission

FROM: Michael Paine, Environmental Planning Manager, 452-2739  
Heidi Bedwell, Associate Planner, 452-4862  
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SUBJECT: Shoreline Master Program, Presentation on Phantom Lake

At the July 14 study session, staff from the Utilities Department will provide a presentation on Phantom Lake including the City's past and current management actions and involvement with community members to address water quality and lake elevation issues. This briefing is being provided for informational purposes to the commission and public in response to questions raised during ongoing review of the Shoreline Master Program Update. No direction is requested at this time. Utilities intends to subsequently meet with the Phantom Lake homeowners to review the issues and determine if there is interest in restarting a broader conversation about forming a Lake Management District to implement additional lake management actions. It is hoped that this step will give the Commission confidence that many of the issues raised by community members regarding lake elevation, water quality, and lake management will be appropriately addressed in another forum given that most of these issues are outside the scope of the SMP update.

## **BACKGROUND**

At the June 9 study session, staff presented a discussion on options for designating an appropriate shoreline setback on residential property. The objective was to obtain direction from the Commission on the broad outline of a desired approach. In addition to current code, two options were outlined.

The first, dubbed Option A, combined a 50-foot setback—duplicating the dimensions and some of the protection of current code—with a required landscape standard for new construction and major redevelopment. An options menu was included under which a property owner could move closer to the water's edge by carrying out certain rehabilitative projects such as additional planting, structure removal, use of low impact development techniques, preservation of other habitat on site, and bulkhead removal or modification. Other incentives could also be added to this list. A management area, located within 25 feet of ordinary high water and divided between

a recreation zone and a landscape reserve, was identified as providing a balance between demand for recreational use and ecological protection.

Option B combined a 35-foot “bright-line” setback with little or no flexibility to go beyond this line. The focus was on predictability for property owners and ease of use. A variance would be required to build past the required setback. As in Option A, a management area, divided between a recreation zone and landscape reserve, was introduced.

In the discussion that followed, Commission members asked a number of questions having to do with Phantom Lake. Chair Sheffels expressed concern about creating another layer of regulations without addressing many of the basic questions asked by homeowners regarding lake elevation and water quality. She suggested that a full presentation on Phantom Lake would be very helpful. Commissioners Turner and Hamlin expressed similar views, with Commissioner Turner concerned that new shoreline rules would be more restrictive than those currently existing. Tonight’s presentation and the commitment by the Utilities Department to engage in a Phantom Lake community discussion regarding these issues should help to remedy these concerns.

Commissioner Turner and Ferris also raised concerns regarding the absence of a clear link between the negative impact of urban development at the watershed scale to ecological function and the actual contribution of any particular shoreline property owner to that degradation. To address this issue, Commission Ferris asked that staff develop a matrix of key ecological functions important to overall lake health and affected by site development. He proposed that staff then assign a relative weight to each function with the objective of using this table to determine how a proposed development might impact ecological function. Staff committed to looking at this approach as a potential tool to support application of the options menu. This effort would accompany further discussion on setbacks when this issue comes back to the Commission in the fall.

Further discussion focused on providing staff direction on which setback option represented a preferred approach. On balance, the Commission favored Option A with some additions. Commissioner Mathews expressed interest in seeing the “footprint rule,” as used in current code, added to the mix. Others wanted to add the maximum flexibility provided by a scientific site-specific study to justify deviation from the prescriptive standard—also a key component of existing code. Chair Sheffels and Commissioner Ferris also noted their desire to see a fee-in-lieu approach used to ensure mitigation occurs in sites where it will do the most good.

Staff committed to coming back at a later date in the fall with a more refined version of Option A reflecting the Commission’s desire to optimize elements of current code that favor site-specific flexibility with an option built around predefined options.

## NEXT STEPS

With this special topic discussion on Phantom Lake, staff will provide information to the Commission about the range and complexity of issues regarding management of this lake. No specific direction is required, but it is hoped that the information provided will make the Planning Commission more comfortable with staff proceeding to refine regulations and policies specific to Phantom Lake given the commitment of Utilities and DSD to meet with community members outside the context of the SMP update.

Commission meetings that follow this summer will focus on the specific topics previously identified and staff will work towards refining those related sections of the draft SMP as the processes progresses. This process could result in a revised draft being released in October with a formal review of the draft to occur at a public hearing in November. On July 28, staff will introduce two topics: residential piers and shoreline stabilization. The proposal for piers has been substantially reworked to reflect staff interest in simplification, comments from contractors, and concerns raised by the community. We are likewise reviewing our current stabilization rules.

**Table 1: The Tentative Work Schedule for the SMP Update**

June	Introduce working draft Continue review working draft and identify target areas for detailed review Setbacks
July	Phantom Lake, Piers and shoreline stabilization
September	Introduce nonconformities Marinas Introduce vegetation conservation
October	Finalize Setbacks and residential policies Introduce revised draft Continue review of revised draft
November	Public Hearing on revised draft Make recommendation to City Council